

The California Department of Housing and Community Development

Infill Infrastructure Grant Program

Round 6 Draft Guidelines Workshop

August 5, 2019 - Los Angeles

August 6, 2019 - San Diego

August 7, 2019 – San Jose

August 8, 2019 – Sacramento/Webinar

August 9, 2019 - Madera





IIG Draft Guidelines

**Infill Infrastructure Grant Program
Round 6**

Draft Guidelines
July 30, 2019

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Section 315. [Omitted]



State of California
Governor Gavin Newsom

Alexis Podesta, Secretary
Business, Consumer Services and Housing Agency

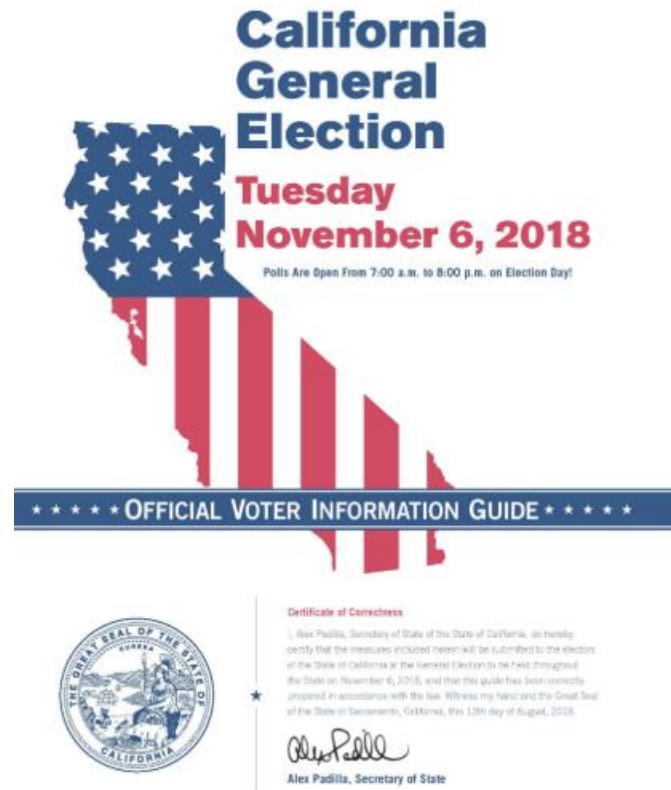
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300: Purpose & Scope

- California Proposition 1 (2018) authorized the state to issue \$4 billion in general obligation bonds to support housing development, including \$300 million for the Infill Infrastructure Grant Program.





300: Purpose & Scope

These Draft Guidelines incorporate programmatic changes ~~pending the Governor's signature~~ in AB 101 (Chapter 159, Statutes of 2019)



Governor
Newsom signs
AB 101 on
July 31, 2019

AB 101 creates the

Infill Infrastructure Grant Program of 2019

and authorizes the Department of Housing and Community Development to expend \$500,000,000 for the Program.



301: Program Overview

IIG provides grants for infrastructure improvements necessary for specific residential or mixed-use infill development projects.

AB 101 authorizes (and these Guidelines implement):

- \$90 million on an over-the-counter (non-competitive) basis for projects in **Small Counties**
- \$410 million on a competitive basis for projects in **Large Counties**





Proposed NOFA Schedule

NOFA Round	General Fund: Large County Competitive	General Fund: Small County Over-the-Counter	Bond Funds: All Jurisdictions Competitive
Round 6 (FY 19-20)	\$205 million	\$90 million	-
Round 7 (FY 20-21)	\$205 million	Remaining amounts from FY 19-20	-
Round 8 (FY 21- 22)	-	-	\$100 million
Round 9 (FY 22- 23)	-	-	\$100 million
Round 10 (FY 23-24)	-	-	\$100 million



302: Definitions

- **Small Jurisdiction:** a county with a population of less than 250,000 or any city within that county
- **Large Jurisdiction:** a county that is not a Small Jurisdiction
- **Nondiscretionary Local Approval Process:** includes little or no subjective judgment by the public official and uses objective zoning, design review, and/or subdivision standards





303: Eligible Projects

What does IIG fund?

The Capital Improvement Project is the construction project identified in the application that will facilitate construction of new housing or mixed-use development.





303: Eligible Projects

All Applications:

- Jurisdictions must have housing element compliance
- **Jurisdictions must have submitted its General Plan annual progress reports**
- Include at least 15 percent Affordable Units
- Meet the minimum density requirements
- Located in an appropriately zoned area pursuant to an adopted plan
- Located at an infill site
- **Capital Improvement Projects located in Small Jurisdictions must have environmental clearances, funding commitments and approvals**



303: Eligible Projects

Qualifying Infill Projects:

- Discrete development
- **If located in a Small Jurisdiction must have land use approvals, environmental clearances, funding commitments**

Qualifying Infill Areas:

- Area must be contiguous
- If located in a Large Jurisdiction must;
 - include a Qualifying Infill Project (QIP) that has received land use approvals
 - QIP does not include more than 50 percent of the total housing units
- **If located in a Small Jurisdiction must either;**
 - be included in the inventory of land suitable for development identified on the housing element, or
 - the Capital Improvement Project must be supported by an environmental review



304: Eligible Costs

- Parks
- Utility improvements
- Streets
- Sidewalks & bike lanes
- Traffic signals
- Site preparation
- Streetscape improvements
- Storm drains



No Change from previous Guidelines



304: Ineligible Costs

- Parking spaces and structures, except required replacement transit station parking
- Housing or mixed-use structures
- Site acquisition for housing
- Grading and foundations for housing (except housing with subterranean or podium parking)
- In-lieu fees for local inclusionary programs





305: Grant Terms & Limits

Qualified Infill Projects

- Minimum **\$1 million** (\$500,000 for rural communities)
- Maximum **\$7.5 million**

Qualified Infill Areas

- Minimum \$2 million (\$500,000 for rural communities)
- Maximum \$30 million

Maximum grant amount is based on the number of units in the QIP or QIA



305: Uniform Multifamily Regulations

The following sections of the Uniform Multifamily Regulations shall apply to developments receiving assistance from the Program:

- **Section 8310(f) Senior Balloon Payment**
- **Section 8315 Subordination Policy**



306: Performance Requirements

From the date of award, Large Jurisdiction Recipients must:

- begin construction of the QIP housing not more than two years, and
- complete construction in not more than five years



QIA Recipients must have closed construction financing on a QIP before another application will be accepted within the same project area or adjoining project areas.



307: Eligible Applicants

Applicants shall be one of the following:

- A city, county, or city and county
or
- A nonprofit or for-profit developer **applying jointly** with a city, county, city and county



City / County
Every Application



Developer
Select Applications



307: Application Process

Applications from Small Jurisdictions will be accepted on an over the counter basis and evaluated for compliance with threshold requirements.

Small Jurisdiction applications that meet threshold requirements will be funded on first come first serve basis.





307: Application Process

Applications **from Large Jurisdictions** will be accepted on a competitive basis and evaluated for compliance with threshold requirements and scored based on the selection criteria described in the Guidelines.

The highest scoring **Large Jurisdiction** applications will be funded, except that the Department may consider geographic distribution objectives in the selection process.





308: Threshold Requirements

All applications must:

- Include an eligible Capital Improvement Project – which has not commenced construction
- Be sufficiently complete
- Provide evidence of site control
- Demonstrate that the CIP is infeasible without Program funding





308: Threshold Requirements

Qualifying Infill Area applications must:

- Be contained within a defined border
- Be subject to a public plan or ordinance, which now includes **Workforce Housing Opportunity Zone and Housing Sustainability Districts**
- Include a Qualifying Infill Project **if in a Large Jurisdiction**
- Identify a mechanism to ensure that future development will meet density and affordability requirements



309: Qualifying Infill Project Selection

Qualifying Infill Project	Maximum Score
Project Readiness	44
Affordability	16
Density	16
Access to Transit	8
Proximity to Amenities	8
Consistency with Regional Plans	8
Total	100



309: Qualified Infill Project Selection

- **Only applications from Large Jurisdictions will use the competitive process**
- **Introduces Land Use Entitlement Status points for applications submitted pursuant to a Nondiscretionary Local Approval Process**
- **Requires a TCAC reservation letter to count 9 percent LIHTC equity as committed**



309: Qualified Infill Project Scoring

- **Introduces points for Prohousing Policies:**

Cities and counties that implement policies to promote housing development will be awarded points. Specific examples of these policies are reducing parking requirements for housing projects or providing financial incentives for housing.





309: Qualified Infill Project Scoring

Introduces points for Prohousing Policies:

- i. Local financial incentives or reduced impact fees for housing**
- ii. Nondiscretionary Local Approval Process in all zones permitting multifamily housing**
- ii. workforce housing opportunity zones or housing sustainability districts**
- iii. zoning more residential sites or sites at higher densities than required to accommodate 150 percent of their low-income regional housing needs allocation**
- iv. encourages development of accessory dwelling units**
- v. have adopted objective design standards.**



309: Qualified Infill Project Scoring

Provides points in the Consistency with Regional Plans section for Qualifying Infill Projects that:

- **support the region's sustainable communities strategy or alternative planning strategy**
- **Are located in transit priority areas or priority development areas**



310: Qualified Infill Area Scoring

Qualifying Infill Area	Maximum Score
Area Readiness	44
Affordability	16
Density	16
Access to Transit	8
Proximity to Amenities	8
Consistency with Regional Plans	8
Total	100



310: Qualified Infill Area Scoring

Competitive selection criteria will only be used by Large Jurisdictions.

Introduces Multiple Qualifying Infill Projects points for Qualifying Infill Areas that have received all land use entitlements required for construction.

Updates Local Support point category to remove the option for points for submitting a letter of support for the project.



310: Qualified Infill Area Scoring

Introduces points for Prohousing Policies:

Cities and counties that take steps to promote new housing will awarded points based on factors, such as reducing parking requirements for housing projects or providing financial incentives for housing.

Provides points in the Consistency with Regional Plans section for Qualifying Infill Projects that:

- support the region's sustainable communities strategy or alternative planning strategy
- **Are located in transit priority areas or priority development areas**



311: Legal Documents

- A Standard Agreement is required of all award recipients constituting a conditional commitment of funds.
- This contract requires the parties to comply with all provisions set forth within the Guidelines, Notice of Funding Availability, and the application.





312: Reporting Requirements

During the term of the Standard Agreement and covenant:

- Annual performance reports
- Annual affordability and occupancy monitoring reports
- Audits and site visits





313: Defaults and Cancellations

- In the event of a breach or violation by the Recipient of any of the provisions of the Standard Agreement, the Department may give written notice to the sponsor to cure the breach or violation within a period of not less than 15 days.
- If the breach or violation is not cured to the satisfaction of the Department within the specified time period, the Department, at its option, may declare a default under the Standard Agreement and may seek legal remedies for the default.



314: Prevailing Wage

- A grant under the Program shall be considered public funding and will be subject to the provisions of the State prevailing wage law.
- Applicants are encouraged to seek professional advice regarding State prevailing wage law.





315: Multi-Phased Projects Omitted

Large, Multi-phased Project application types have been omitted in order to focus resources on projects that are more likely to be completed within the required timeframe.

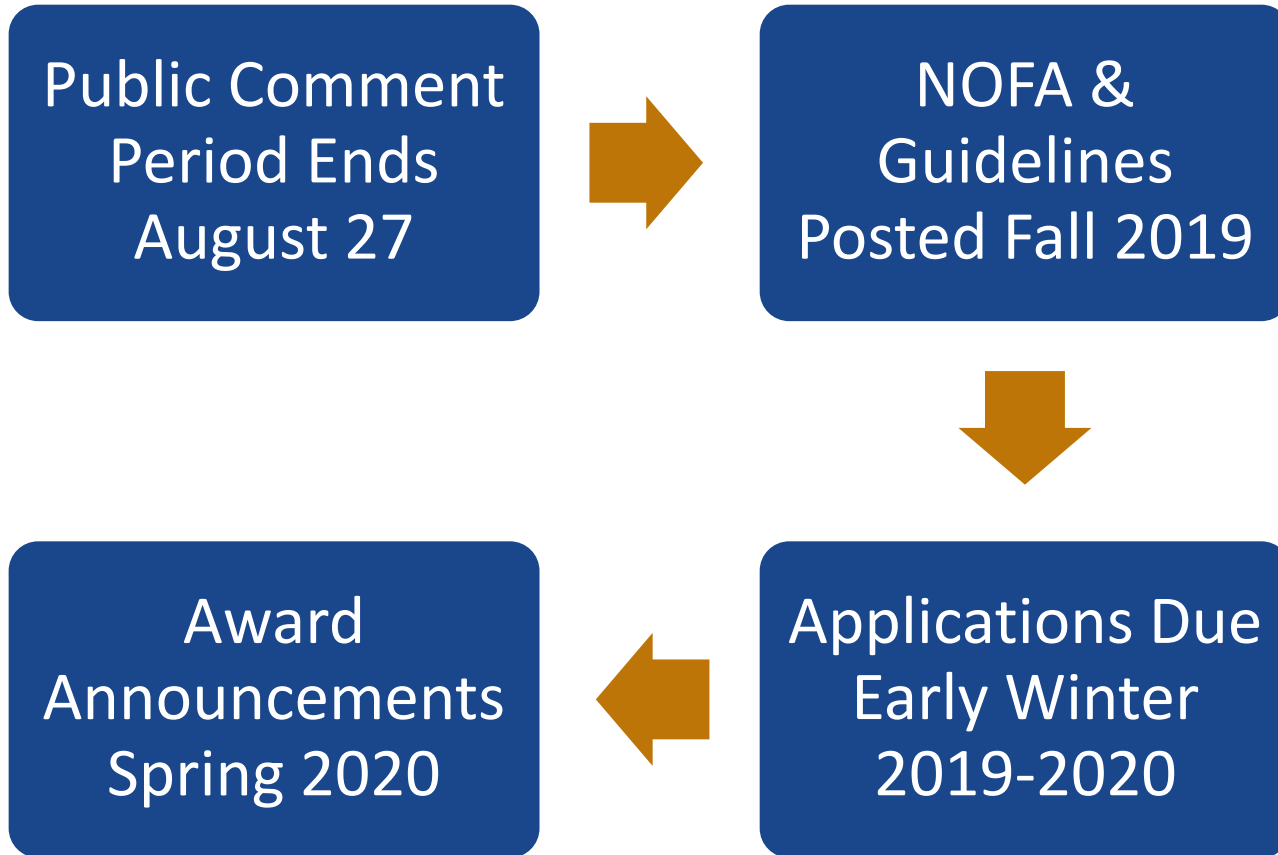
Section 315. Large, Multi-phased Project Modifications

For a Qualifying Infill Project that is based on a multi-phased development with 200 or more units, Sections 308 and 309 of the IIG Guidelines (January 18, 2008), and Sections 308 and 310 of the IIG Guidelines (January 18, 2008), and Section 310 of the IIG Guidelines (January 18, 2008), the recipient may, upon recipient approval, elect the following:

- (a) The project remains a multi-phased development with 200 or more units or more, and the final number of residential units used to calculate the Grant amount is reduced. As a result of the reduction in the number and/or type of residential units, the scope of work for the project may be reduced. The Grant amount originally awarded to the project may be reduced accordingly based on the



Next Steps & Timeline





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The screenshot shows the homepage of the California Department of Housing and Community Development. At the top, there is a navigation bar with links for CONTACT, ABOUT, JOBS, and NEWSROOM. Below this is a header section with the CA.GOV logo, the department's seal, and the text "California Department of Housing and Community Development". A main menu includes links for Grants & Funding, Manufactured & Mobilehomes, Building Standards, Planning & Community Development, and Policy & Research. A language selection dropdown and a Google Translate link are also present. The main content area features three circular images: a red bus, a house, and a person working in a field. Below these images is the text "IMPROVING LIVES & COMMUNITIES ACROSS CALIFORNIA". On the right side, there is a contact section with links for Contact, Email Sign up (highlighted with a red circle and a red arrow), and Questions, Comments, Feedback.

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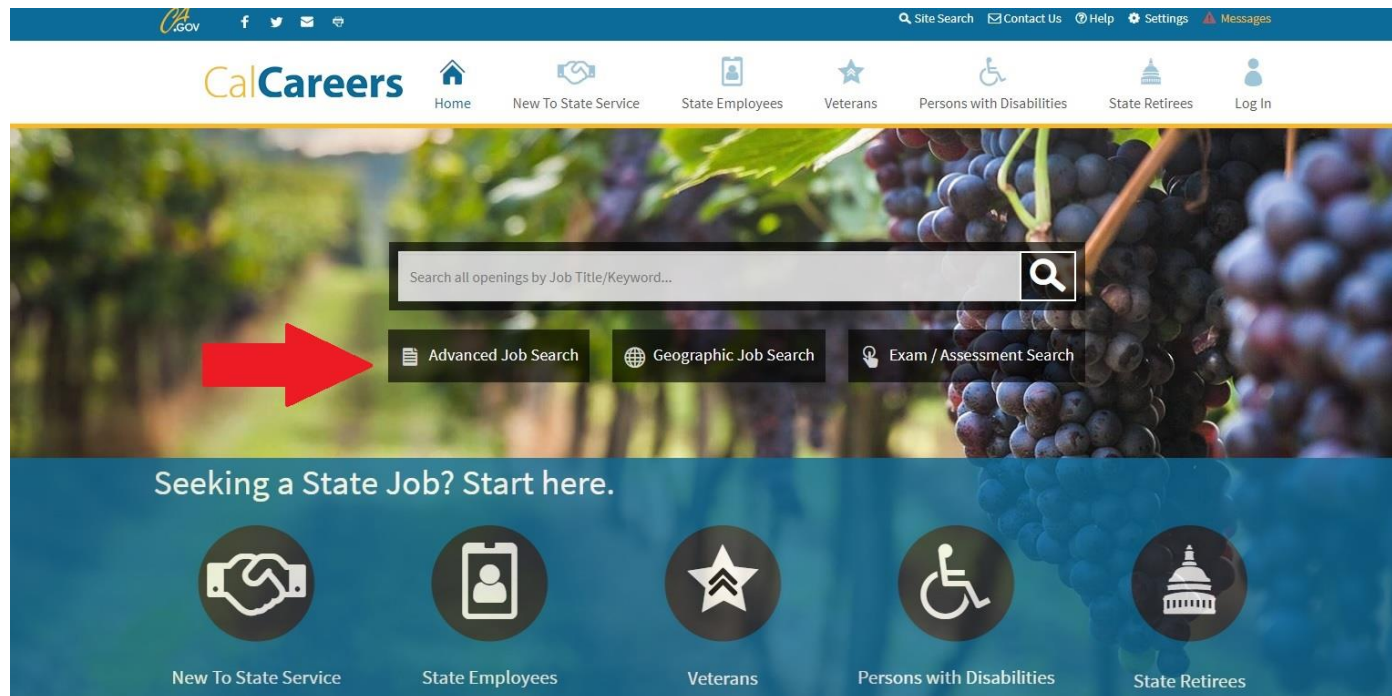
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Infill Infrastructure Grant Program

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Thank you!